

By: Craddick

H.B. No. 2211

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a restriction on the services provided by a credit
3 services organization with respect to certain extensions of
4 consumer credit.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter D, Chapter 393, Finance Code, is
7 amended by adding Section 393.308 to read as follows:

8 Sec. 393.308. SERVICES FOR CERTAIN LOANS PROHIBITED. (a)
9 This section does not apply to an extension of consumer credit for
10 the express purpose of financing the purchase of a motor vehicle
11 used as security for the debt.

12 (b) A credit services organization or a representative of
13 the organization may not obtain, facilitate, or assist in obtaining
14 an extension of consumer credit for a consumer in which any of the
15 following is given as security for or in connection with the debt:

- 16 (1) a motor vehicle certificate of title;
17 (2) the consumer's personal check to be cashed or
18 deposited at a designated future date; or
19 (3) an authorization to debit at a designated future
20 date a deposit account maintained by the consumer.

21 SECTION 2. This Act takes effect September 1, 2009.